

Solid performance with growth and increased profitability in both regions

Interim report January-September 2024



Ivar Vatne
CEO



Andrei Krés
CFO



Performance and key highlights

Q3 2024

Organic and currency adjusted sales growth of 9%

Strong profit recovery in Region Europe

Another excellent quarter for Region North America





Price and mix improvements fully offset cost inflation

Continued good momentum for the efficiency enhancement program

SEKm	Q3-24	Change vs Q2-24	Change vs Q3-23
Net sales	10,798	+0%	+6%
Adjusted EBITDA	1,555	+55%	+33%
<i>% of net sales</i>	<i>14%</i>	<i>+5 ppt</i>	<i>+3 ppt</i>
Operating profit – EBIT	851	+398%	+105%
<i>% of net sales</i>	<i>8%</i>	<i>+6 ppt</i>	<i>+4 ppt</i>
Operating cash flow before capex	438	-35%	-60%
EPS (SEK)	2.27	+808%	-14%

Slightly better market conditions for most categories during Q3

Clear negative shift of sentiment going into Q4

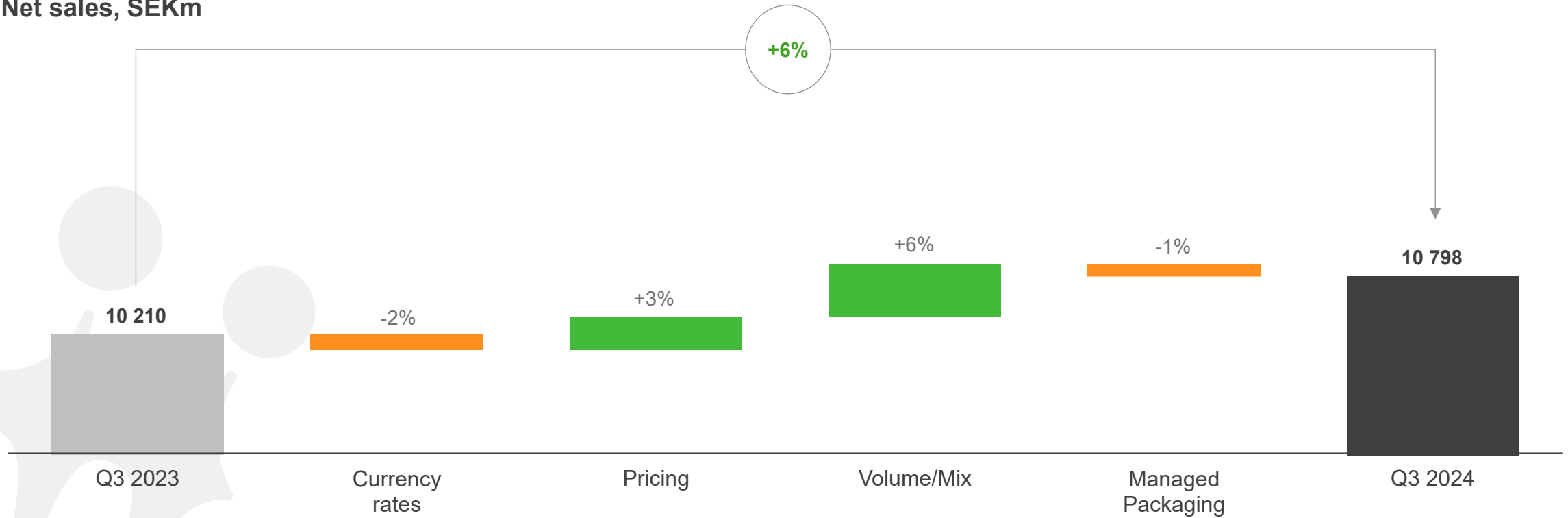
Sales split, % ¹	 Food & Drink	 Printing & Publishing Papers	 Consumer & Luxury	 Industrial
LPB (9.4bn)	100%			
Cartonboard (2.8bn)	25%		75%	
Containerboard (5.4bn)	80%		10%	10%
Kraft & Specialty Paper (5.1bn) ²	50%		30%	10%
Sack Paper (2.9bn)	15%			85%
Graphical Paper (8.3bn)		100%		
Share of Group Net Sales³	~40%	~20%	~10%	~10%
Billerud Market status Q3'24	Normal	Normal	Soft	Normal / Soft
Billerud Market trend outlook	Stable / Worsening	Stable	Worsening	Worsening

1) 2023 Net Sales in bn SEK. 2) Excluding medical paper. 3) Total Group Net Sales include Currency hedging and Solutions & Other, not allocated to end-use segments

Q3'24:

6% sales increase on the back of improved volume/mix and higher pricing

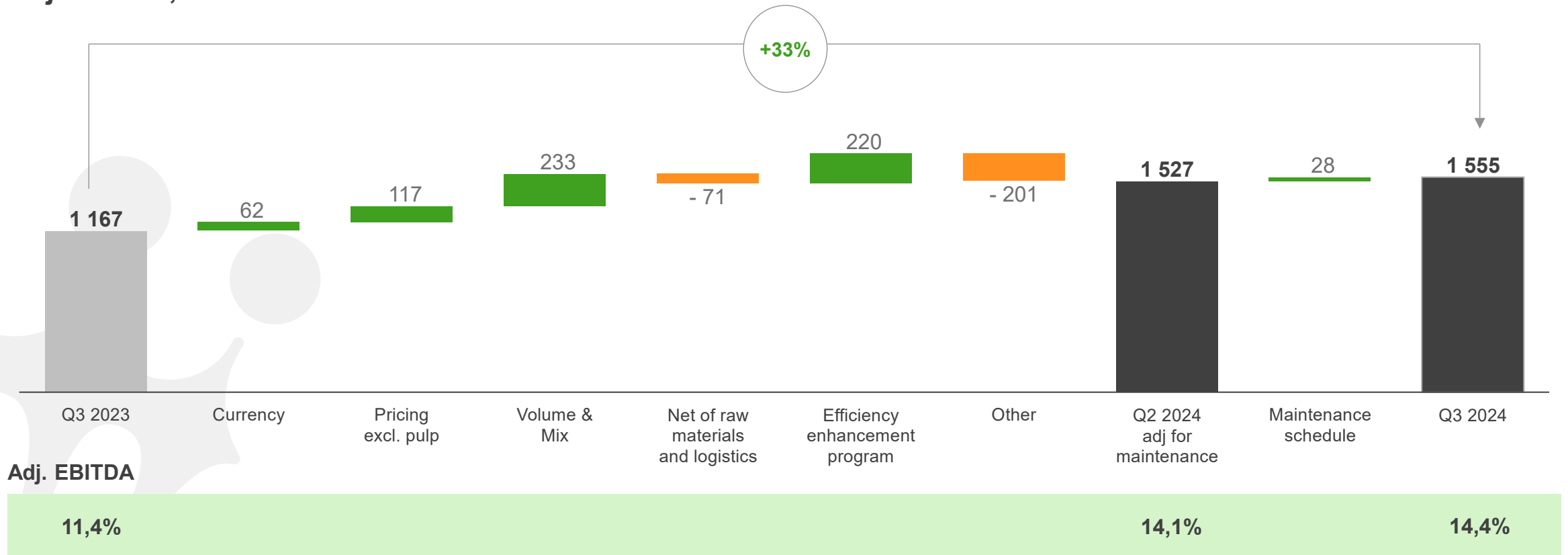
Net sales, SEKm



Q3'24:

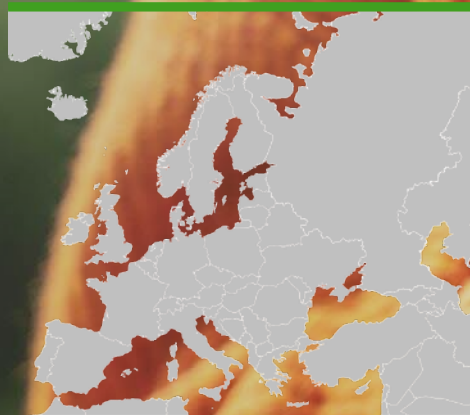
Solid profitability improvement driven by volume/mix and strong progress in efficiency enhancement program

Adj EBITDA, SEKm



REGION

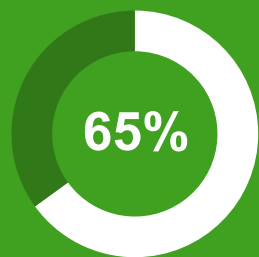
Europe



Region

Europe

- Clear uplift of profitability – best quarter since Q3'22
- Solid net sales growth driven by Paperboard and Sack & Kraft Paper
- Positive pricing & mix help fully offset cost inflation
- Strong delivery of our profit enhancement program




Share of net sales
Q3 2024

SEKm	Q3-24	Q3-23	Change
Net sales	6,980	6,765	+3%
<i>Liquid packaging board</i>	2,369	2,415	-2%
<i>Containerboard</i>	1,490	1,392	+7%
<i>Kraft and specialty paper</i>	999	908	+10%
<i>Sack paper</i>	841	722	+16%
<i>Cartonboard</i>	725	708	+2%
<i>Market pulp</i>	512	566	-10%
Net operating expenses	-5,874	-5,863	0%
EBITDA	1,106	902	+23%
EBITDA margin	16%	13%	+3 ppt

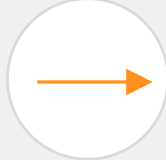
Pulpwood costs continued to increase in the quarter

Q4 cost headwind from pulpwood and seasonally higher energy prices




Higher cost for fiber

Further pulpwood prices increases during the quarter




Stable cost for chemicals



Lower energy costs

Seasonally lower electricity prices in the quarter



Lower logistics costs

Mix driven cost decrease in the quarter

REGION

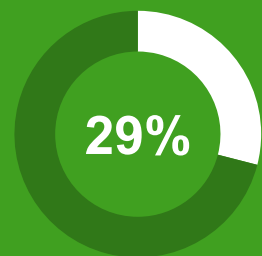
North America



Region

North America

- Very strong organic net sales growth fueled by volume and pricing
- Another excellent profitability quarter (18% EBITDA)
- More volume momentum, but still operating rates around 70%
- Maintenance stop in Escanaba executed according to plan

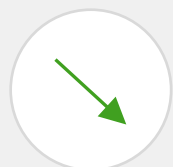


Share of net sales
Q3 2024

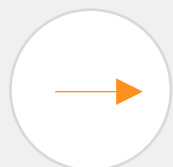
SEKm	Q3-24	Q3-23	Change
Net sales	3,138	2,839	+11%
<i>Graphic paper</i>	2,140	2,148	0%
<i>Specialty paper</i>	547	364	+50%
<i>Market pulp</i>	452	327	+38%
Net operating expenses	-2,563	-2,372	+8%
EBITDA	575	467	+23%
EBITDA margin	18%	16%	+2 ppt

Cost tailwind in the quarter

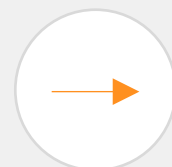
Minor increase expected into Q4



**Lower
cost for
fiber**



**Stable cost
for
chemicals**



**Stable
energy
costs**



**Lower
logistics
costs**

Mix driven cost
decrease in the quarter

Lower cash flow due to working capital build-up

Net debt levels well below target

Working capital increase due to stock build and phasing of operating liabilities

Clear target to improve cash conversion for full year

Leverage remains well below target at 1.5x EBITDA

Successful transfer of US pension obligations to impact Q4

CAPEX of SEK 2.3 bn in 2024

Europe: SEK 1.6 bn

North America: SEK 0.7 bn

SEKm	Q3-24	Q3-23
Profit before tax	745	372
Adjustments for non-cash items	575	347
Tax paid	-19	2
Cash flow from changes in working capital	-863	361
Cash flow from operating activities	438	1,082
Investments in tangible and intangible assets	-509	-638
Operating cash flow after investments in tangible and intangible assets	-71	444

SEKm	Q3-24	Q3-23
Net debt	6,930	6,937
Net debt / adjusted EBITDA	1.5	1.4
Adjusted ROCE %	5%	6%

Efficiency enhancement program:

The success story continues

Well positioned to outperform 2024 target

High-performing quarter, now close to 90% of 2024 target achieved

- Incremental impact of 220 MSEK in Q3 (610 MSEK YTD)
- On track to reach beyond target of 700 MSEK EBITDA incremental impact in 2024

Highlighted initiatives with impact in Q3

- Fiber supply: Expanded position on locally sourced fiber, with greater volumes acquired
- Machine utilization: Harmonizing product specifications to improve machine efficiency
- Leveraging fiber waste: New pricing model to capture the full value of produced downgraded material as well as utilizing repulped waste in own process

220 MSEK

Impact in Q3

610 MSEK

Impact year-to-date (Jan-Sep)

Outlook for Q4 2024



Softer demand and price pressure in Europe



Stable market conditions in North America



Increased input costs



Billerud invites analysts, investors and financial media to a **Capital Markets Day**

- Date:** 2 December
- Time:** 12:00-16:00 CET
- Where:** IVA Conference Center, Stockholm

To participate, please register on our website no later than 7th of November





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